



5583 04/24/06 \$5,000.00 ✓

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. D06-163
)	
NORTH PACIFIC INSURANCE)	CONSENT ORDER
COMPANY,)	IMPOSING A FINE
)	
An Authorized Insurer.)	
)	

Findings of Fact:

1. North Pacific Insurance Company (“North Pacific”) is authorized to conduct insurance business in Washington State. It issues property, marine transportation, vehicle, casualty and surety insurance.
2. North Pacific filed rates for its “Businessowners Policy” that were approved by the Office of the Insurance Commissioner (“OIC”) on December 30, 2004. The OIC received an inquiry from the Washington Insurance Examining Bureau (“WIEB”) on January 24, 2006 regarding their audit of North Pacific’s Businessowners program. It determined that although North Pacific’s rates had been approved, North Pacific had failed to submit all pages of its rates manual along with the rate filing.
3. OIC notified North Pacific of the defect in its filing on January 24, 2006. North Pacific apologized for the oversight and submitted the missing manual pages on January 25, 2006. The manual pages were approved the same day and added as additional information to the original filing. North Pacific informed the OIC that since December 30, 2004, it had issued 2,289 new or renewal policies and had written \$5,418,074 of premiums. Although the filing resulted in a rate reduction for most policyholders, the failure to submit the manual pages kept North Pacific’s competitors from inspecting its rates for over a year.

Conclusions of Law:

1. By failing to file its manual of rates with the OIC prior to their use, North Pacific violated RCW 48.19.040(1) that requires that before using, insurers must file with the OIC every classifications manual, manual of rules and rates, rating plan, rating schedule, minimum rate, class rate, and rating rule, and every modification of any of the foregoing which it proposes.
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer’s certificate of authority.

Consent to Order:

North Pacific consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter, in consideration of the insurer's payment of a fine, as set forth below.

1. North Pacific consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply with all applicable laws and regulations of Washington State. It waives further legal or administrative challenge to the actions taken, or to be taken, by the Insurance Commissioner relating to the subject matter of this order.
2. Within thirty days of the entry of this Order, North Pacific will pay to the Insurance Commissioner a fine in the amount of \$5,000 (five thousand dollars).
3. If North Pacific fails to pay the fine in full within thirty days of the entry of this order, this will constitute grounds for the suspension or revocation of the certificate of authority held by North Pacific in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 21st day of April, 2006

NORTH PACIFIC INSURANCE COMPANY

By: [Signature]

PRINTED NAME: James M. McElreath Jr

PRINTED CORPORATE TITLE: Assistant Secretary

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. North Pacific Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$5,000 (five thousand dollars).
2. Failure to timely pay the fine in full will constitute grounds for the suspension or revocation of the certificate of authority held by the insurer in Washington State.

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3. It will also result in a civil action being brought by the Attorney General, on behalf of the Insurance Commissioner, to recover the fine.

Executed this 25th day of April, 2006

MIKE KREIDLER
Insurance Commissioner

By: Marcia G. Stickler

Marcia G. Stickler
Legal Affairs Division